

ARGUMENT AGAINST PROPOSITION 87

AREN'T GAS PRICES HIGH ENOUGH ALREADY?

DO WE REALLY WANT TO INCREASE OIL TAXES BY ANOTHER \$4 BILLION?

We all agree we need to advance alternative energy. But, Proposition 87 is *not* the way to get there. Increasing California oil taxes by \$4 BILLION to fund a new state bureaucracy—that isn't even required to produce results—is a recipe for *waste*, not progress.

It's also the road to more problems . . .

HIGHER TAXES ON DOMESTIC OIL = MORE DEPENDENCE ON FOREIGN OIL.

Economists report that taxing California oil production will reduce in-state oil production and increase our dependence on foreign oil. Oil from the Middle East and other countries costs more to get here and costs more to refine once here.

HIGHER OIL TAXES, HIGHER GAS PRICES.

Prop. 87's sponsors *claim* it won't increase gas prices. Are voters supposed to believe a \$4 BILLION tax increase on California oil won't impact gas prices at the pump?

PROP. 87 CREATES A NEW STATE BUREAUCRACY WITH 50 POLITICAL APPOINTEES.

It lets them spend taxes outside the normal checks and balances that govern other state agencies, outside the state budget review process, and exempt from important laws and taxpayer safeguards that apply to other agencies.

PROP. 87 LETS THE NEW BUREAUCRACY KEEP SPENDING EVEN IF THEY'RE NOT PRODUCING RESULTS.

It lets the political appointees tax and spend, year after year after year, even if they're making absolutely no progress reducing oil consumption or advancing alternative energy use.

PROP. 87 ROBS SCHOOLS OF THEIR FAIR SHARE OF NEW REVENUES.

One of the most important protections our schools have is a constitutional guarantee that a portion of new state tax revenues be spent in the classroom. But, Prop. 87 excludes

itself from that requirement. One of California's leading education finance experts and the former Secretary of Education reports: "*At a time when California school funding is already below the national average, Prop. 87 could deny schools their fair share of up to \$1.9 billion in new revenues over the next 10 years.*"

PROP. 87 WOULD REDUCE TAX REVENUES USED FOR EDUCATION, PUBLIC SAFETY, HEALTH CARE, AND TRANSPORTATION NEEDS.

Prop. 87 would reduce general fund and property tax revenues. Read the Legislative Analyst's report in your voter pamphlet.

HIGHER GAS PRICES HURT FAMILIES, SMALL BUSINESSES, AND SENIORS.

Everyone bears the cost of high gas prices. The last thing we need is a ballot proposition that further drives up oil prices.

EVERYONE AGREES WE NEED TO ADVANCE ALTERNATIVE ENERGY, BUT PROP. 87 IS *NOT* THE WAY TO GET THERE.

"Gasoline prices in California are high enough already. Proposition 87 would just add insult to injury. This \$4 billion oil tax would result in even higher gas prices at the pump. We recommend drivers vote: NO on 87."

—Thomas V. McKernan, President and CEO, Automobile Club of Southern California

Join more than 150 organizations, taxpayer groups, consumers, California businesses, labor, parents, educators, seniors, and public safety officials . . .

VOTE NO on 87. *It's a recipe for waste, not progress.*

LARRY MCCARTHY, President
California Taxpayers' Association

DANIEL CUNNINGHAM, President
California Small Business Alliance

MARIAN BERGESON, Past President
California School Boards Association

REBUTTAL TO ARGUMENT AGAINST PROPOSITION 87

DO YOU TRUST THE OIL COMPANIES?

Oil companies are paying for the multimillion dollar misinformation campaign *against* Prop. 87.

See for yourself: California State Website: www.cal-access.ss.ca.gov

Notice the oil companies didn't sign the statement at the top of this page? What else are they hiding? THE FACTS:

- **PROP. 87 MAKES OIL COMPANIES PAY THEIR FAIR SHARE.**

Oil companies pay billions in drilling fees in New Mexico, Alaska, Louisiana, and *even* Texas. California is the only state where the oil companies do not pay similar drilling fees.

- **PROP. 87 MAKES IT ILLEGAL FOR OIL COMPANIES TO PASS THE COST ON TO CONSUMERS BY RAISING GAS PRICES.** *Official Initiative Language, § 42004(c)*

Think about it: If the oil companies could really pass the cost on to us, why would they be spending millions to defeat Prop. 87?

- **PROP. 87 MEANS CLEANER AIR, LESS ASTHMA.**

That's why Prop. 87 is endorsed by the American Lung Association.

- **PROP. 87 MEANS MORE ALTERNATIVE FUELS AND**

LESS DEPENDENCE ON FOREIGN OIL.

Almost half of California's imported oil comes from Saudi Arabia and Iraq. Prop. 87 would reduce our dependence on foreign oil. That's why former Secretary of State Madeleine Albright endorses Prop. 87.

- **PROP. 87 HAS NO NEW BUREAUCRACY.**

Prop. 87 requires independent audits, strict limits on administrative spending, open meetings with accountability, and oversight by public health and energy experts—not politicians. *Official Initiative Language, § 26004(a)*

DON'T BE FOOLED BY THE OIL COMPANIES.

ENOUGH IS ENOUGH. MAKE THE OIL COMPANIES PAY THEIR FAIR SHARE.

VOTE YES ON 87. FOR CLEANER, CHEAPER ENERGY.

DR. MARIO MOLINA, Nobel Prize in Chemistry
University of California, San Diego

TIM CARMICHAEL, President, Coalition for Clean Air

JAMIE COURT, President

Foundation for Taxpayer and Consumer Rights